

2007 Farm Bill

San Angelo Field Hearing

May 9, 2006

Chairman Goodlatte, Ranking Member Peterson, and Members of the Committee; thank you for allowing me to appear before you today and provide the Texas cattle industry's perspective on the upcoming 2007 Farm Bill. I would also like to take this opportunity to recognize Congressman Neugebauer, Congressman Conaway, and Congressman Cuellar for their efforts on behalf of Texas agriculture.

My name is Dale Smith, and I am a cow-calf producer, stocker cattle operator and a cattle feeder from Amarillo, Texas. I am also a member of Texas and Southwestern Cattle Raisers, Texas Cattle Feeders, Panhandle Livestock Association and the National Cattleman's Beef Association.

As the nation's largest segment of agriculture, the cattle industry is focused on continuing to work toward agricultural policy that minimizes direct federal involvement; preserves the right of individual

choice in the management of land, water, and other resources; provides an opportunity to compete in foreign markets; and does not favor one producer or commodity over another.

As a cattle producer, my livelihood is tied to many other agricultural commodities. Livestock consume three out of four bushels of the major feed grains and all beef cattle account for nearly 30 percent. As such, we support the continuation of reasonable, market-oriented programs for crops, but strongly oppose government supply management programs. It is not in farmers' and ranchers' best interests for the government to implement policy that sets prices; underwrites inefficient production; or manipulates domestic supply, demand, cost, or price.

Likewise, conservation programs and environmental regulations must be based on common sense and sound science. One such program that achieves this is the Environmental Quality Incentive Program or EQIP. Cattle producers across the country participate in this program, but arbitrarily setting numerical caps that render some producers ineligible limits the success of the program. Addressing

environmental solutions is not a large versus small issue. All producers have a responsibility to take care of the environment and their land and should have the ability to participate in programs that help establish and attain environmental goals. Accordingly, all producers should be afforded equal access to cost share dollars under programs such as EQIP.

Conservation and environmental programs must also be sufficiently supported to ensure participation. Resources must be allocated to maintain adequate NRCS personnel at the local level that can provide the technical assistance necessary to implement successful rangeland conservation programs. Cattlemen need a dependable and recognized source of technical assistance in order to meet the state's rangeland conservation needs. One other environmental issue is our support of renewable fuel supplies for the nation.

However, we reiterate that livestock consume 3 of 4 bushels of feed grains in the nation. Governmental incentives to expand ethanol and other alternative fuel supplies should not function to the detriment of livestock producers.

The cattle industry also supports increasing federal investment in agricultural research. One of our competitive advantages over foreign producers has been quality research and development programs supported by the government and the private sector. It is essential that USDA maintain the scientific expertise to protect producers from the erroneous claims of our opponents – both foreign and domestic. One such recent claim is that manure should be regulated as a hazardous waste. There is no scientific evidence nor congressional intent to support this ludicrous argument. While this may be outside the scope of the Farm Bill debate, cattle producers would appreciate any efforts by your committee to resolve this potentially disastrous situation.

U.S. cattlemen have been and continue to be strong believers in international trade. We support aggressive negotiating positions to open markets and to remove unfair trade barriers to our product. We support government programs such as the Market Access Program and the Foreign Market Development Program, which help expand opportunities for U.S. beef, and we urge sustained funding for these long-term market development efforts. I believe foreign markets are

key to the success to most of, if not all, segments of production agriculture.

We also support Congressional and regulatory action to address unfair international trade barriers that hinder the exportation of U.S. beef. We appreciate the Committee's help in working to reopen foreign markets that were closed to U.S. beef after the discovery of BSE. As you are aware, we continue to fight to get our product into several countries and have seen recent setbacks in places such as Korea and Japan. We ask that you continue to support the effort to see that sound science is being followed in bringing down these artificial trade barriers. We encourage the Committee's continued strong and vigilant oversight of the enforcement of any trade pact to which American agriculture is a party.

Lastly, I want to touch on a few issues that should not be addressed in the Farm Bill. We strongly oppose efforts to limit marketing options available to cattle producers. Such proposals limit ownership of cattle, restrict marketing agreements and place the cattle industry at an unfair, competitive disadvantage with other suppliers of protein

both domestically and internationally. Producers must be allowed to take advantage of new marketing opportunities designed to capture a larger share of the consumer food dollar. Having said this, we also support the role of government to ensure a competitive market through strong oversight, including enforcement action against attempts at collusion, anti-trust and price-fixing. We believe weaknesses identified in the recent OIG audit of GIPSA should, and can be, quickly resolved by new agency management to improve enforcement of the Packers and Stockyards Act. On another marketing issue, mandatory country of origin labeling should be replaced with a much less expensive market-based, voluntary program.

USDA and producers should continue working to implement an animal identification and tracing program. Government should manage the premise i.d. data base and the private sector should manage the animal i.d. database with the goal of 48-hour traceback. Hopefully this issue can be resolved outside the farm bill.

Thank you for the opportunity to share my views with you today.

Committee on Agriculture
U.S. House of Representatives
Required Witness Disclosure Form

House Rules* require nongovernmental witnesses to disclose the amount and source of Federal grants received since October 1, 2004.

Name: Dale A. Smith
Address: PO Box 15305 Amarillo, TX 79105
Telephone: 806-376-4147 Ext. 204
Organization you represent (if any): Corsino Cattle Co.

1. Please list any federal grants or contracts (including subgrants and subcontracts) you have received since October 1, 2004, as well as the source and the amount of each grant or contract. House Rules do NOT require disclosure of federal payments to individuals, such as Social Security or Medicare benefits, farm program payments, or assistance to agricultural producers:

Source: _____ Amount: _____

Source: _____ Amount: _____

2. If you are appearing on behalf of an organization, please list any federal grants or contracts (including subgrants and subcontracts) the organization has received since October 1, 2004, as well as the source and the amount of each grant or contract:

Source: _____ Amount: _____

Source: _____ Amount: _____

Please check here if this form is NOT applicable to you: ☒

Signature: [Signature]

* Rule XI, clause 2(g)(4) of the U.S. House of Representatives provides: Each committee shall, to the greatest extent practicable, require witnesses who appear before it to submit in advance written statements of proposed testimony and to limit their initial presentations to the committee to brief summaries thereof. In the case of a witness appearing in a nongovernmental capacity, a written statement of proposed testimony shall include a curriculum vitae and a disclosure of the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by the witness or by any entity represented by the witness.

PLEASE ATTACH DISCLOSURE FORM TO EACH COPY OF TESTIMONY.

Committee on Agriculture
U.S. House of Representatives
Information Required From Non-governmental Witnesses

House rules require non-governmental witnesses to provide their resume or biographical sketch prior to testifying. If you do not have a resume or biographical sketch available, please complete this form.

1. Name: Dale A. Smith

2. Business Address: PO Box 15305
Amarillo, TX 79105

3. Business Phone Number: 806-376-4147

4. Organization you represent: Texas Cattle Feeders Association

Texas & Southern
Cattle Raisers
Association

5. Please list any occupational, employment, or work-related experience you have which add to your qualification to provide testimony before the Committee:

Managing Partner for
Corrine Cattle Co. - a large cow/calf,
stocker & cattle feeding operation

6. Please list any special training, education, or professional experience you have which add to your qualifications to provide testimony before the Committee:

BBA - University of Texas at Austin
Texas Christian University - Ranch
Management Program

7. If you are appearing on behalf of an organization, please list the capacity in which you are representing that organization, including any offices or elected positions you hold:

PLEASE ATTACH THIS FORM OR YOUR BIOGRAPHY TO EACH COPY OF TESTIMONY.